



Kansas Medicaid Pharmacy Review and Recommendations

KHPA Board Meeting

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Overview

- Program description
- Medicaid pharmacy management
- Program trends and cost drivers
- Safety concerns
- Recommendations



Federal Guidelines for Medicaid Coverage

- Pharmacy is an optional Benefit
- All states offer benefit
- States must maintain open formulary
 - Includes all manufacturers with a federal rebate agreement
- States may impose conditions on access to drugs



Kansas Medicaid Program Management

- Drug Utilization Review (DUR)
 - Education for providers, safety reviews, cost avoidance
 - Program managed by board of clinicians
- Prior Authorization (PA)
 - Assures appropriateness of therapy before it is dispensed
 - Based on information submitted by prescriber
 - Criteria established by the DUR Board
- Preferred Drug List (PDL)
 - Advisory committee determines whether drugs in a class are therapeutic substitutes
 - “Preferred” drugs established only within therapeutic classes
 - Non-preferred agents in a therapeutic class require PA
- Drugs used to treat mental health are restricted from management by Kansas statute



Drug Utilization Review Board

- Required by Federal statute: OBRA'90
- Provides guidance for prescriber education efforts (Retrospective DUR) and Point of Sale edits for interactions between drug prescribed and patient allergy, disease states, etc (Prospective DUR)
- Approves prior authorization criteria
- Composition: 4 physicians, 4 pharmacists, and 1 ARNP or PA
- Current chair is a psychiatrist



Preferred Drug List

- Implemented in 2002
- Guided by the PDL Advisory Committee
- Composition: 5 physicians, 4 pharmacists
- Advisory committee acts independent of cost information
- Costs considered after drugs are determined to be therapeutically equivalent
- 34 drug classes currently on PDL
 - Drugs used for heart disease, cholesterol, and others
 - Drugs like insulin for diabetes, albuterol for asthma, and various pain medications are all time sensitive



Recent Strategies to Impact Utilization

- PDL expanded to include management of cardiovascular, gastrointestinal, and anti-asthmatic drugs
- PAs placed on other drugs due to safety concerns
 - Actiq – powerful pain medication that can easily cause fatal overdose if not prescribed appropriately
 - Ketek – antibiotic that can interact with a certain neurological disorder known as myasthenia gravis and cause respiratory failure (black box warning)



Fee-for-Service Pharmacy Program

- Expended \$160 million dollars in fiscal year (FY) 2008
- 745 contracting pharmacies
- Provided services to 113,446 unique beneficiaries in 2008



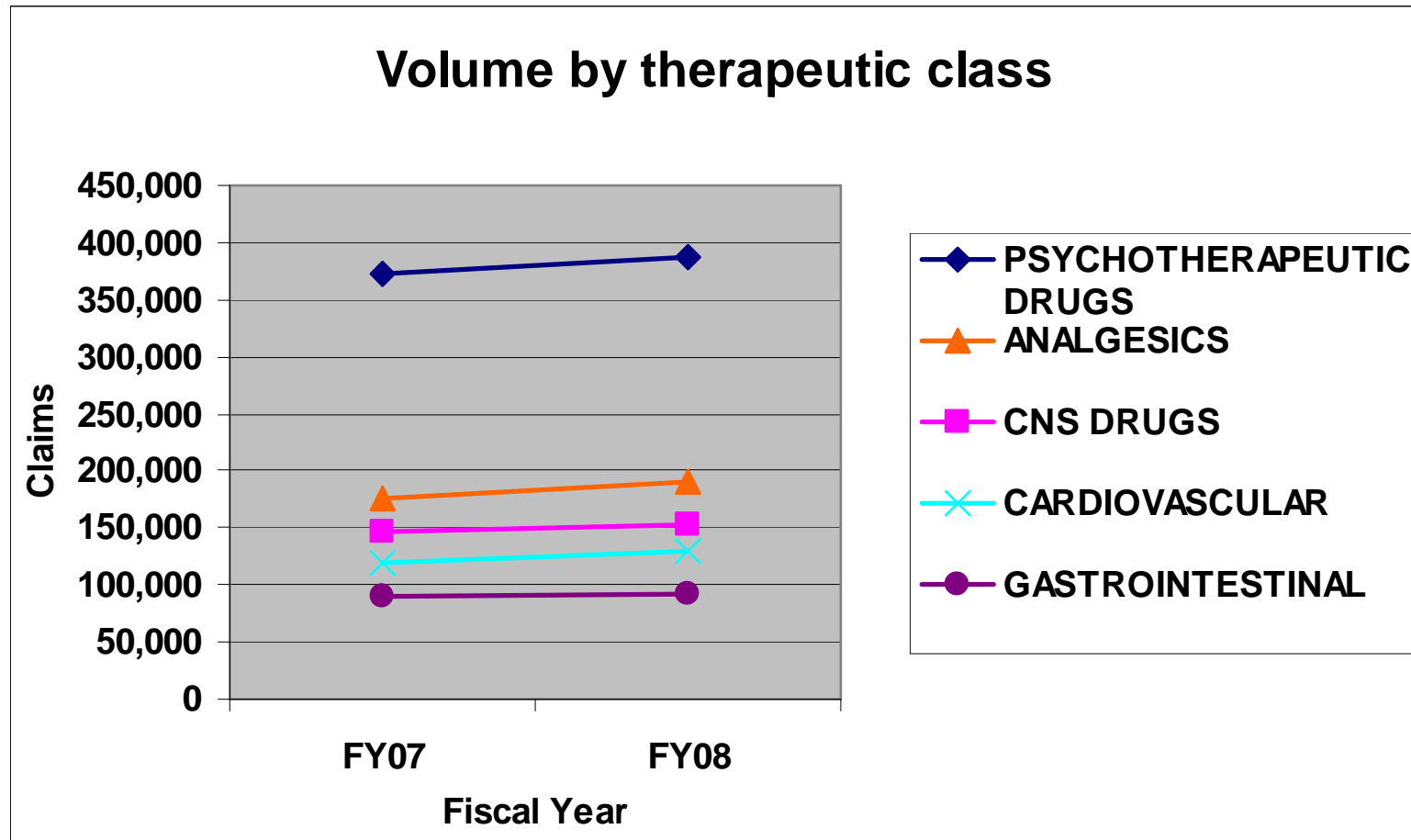
Program Trends

Non-HealthWave Population Only

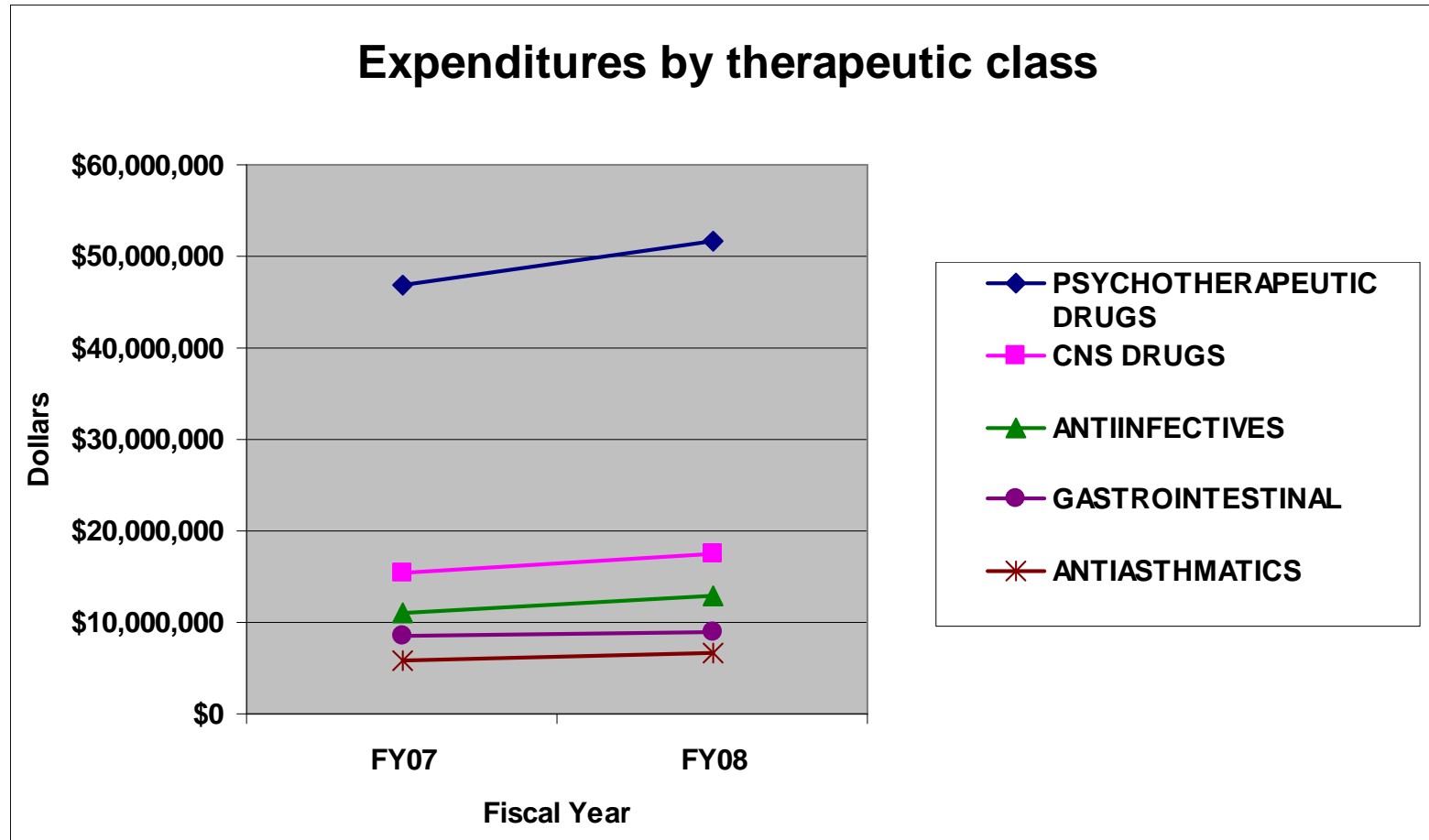
	SFY 2007	SFY 2008	% increase
Prescription Expenditures	\$ 131,537,003	\$ 147,455,386	12%
Prescription Claims	1,622,392	1,719,269	6%
Cost per Prescription	\$ 81.01	\$ 85.77	6%
Persons Served	66,605	68,520	3%
Claims per Person	24.36	25.09	3%
Cost per Person	\$ 1,975	\$ 2,152	9%

- Population shifts
 - Medicare Part D: January 1, 2006
 - 50,000 FFS beneficiaries to Healthwave: January 1, 2007
- Data analysis
 - FY06 excluded in many cases
 - Population groups transferred to Healthwave excluded
- Cost drivers
 - Increasing costs per prescription
 - Role of mental health medications

Program Trends: Unsustainable Growth



Program Trends: Unsustainable Growth





Safety Concerns for Mental Health Drugs

- Antidepressants
 - Increased risk of suicide identified for some groups
- Atypical antipsychotics
 - Higher incidence of obesity
 - Increased incidence of Type II diabetes
 - Increased incidence of cardiovascular disease
 - Long run advantage in effectiveness unclear



U.S. Kids Take More Psychotropic Drugs Than Europeans

Cultural differences, regulatory practices may explain difference, researchers say

Posted: September 25, 2008



Study: Children increasingly medicated

Posted: November 3, 2008



Study indicates kids are increasingly medicated

Posted November: 4, 2008



Potent Pills: More foster kids getting mood-altering drugs



Posted: December 9, 2007

State medication protocol researchers sought money from drug firms

Posted: October 26, 2008



Curbs sought on psychiatric drugs given to children

KENTUCKY MEDICAID OFFICIAL SAYS THEY COULD POSE HEALTH RISKS

Posted : October, 7, 2008



Safety Concerns in Kansas Medicaid

- Approximately 6,200 beneficiaries less than 18 prescribed atypical antipsychotics
- 177 children less than 4 prescribed an atypical antipsychotic
 - No FDA approved indication for younger than 5
- 201 children less than 18 prescribed 2 or more atypical antipsychotics simultaneously
- 214 children under 18 prescribed 5 or more psychotropic medications within a 90 day period



Children in Foster Care

- 52% of children in state foster care system are on mental health medications
 - 20% of foster children are on an atypical antipsychotic
 - 20% are on an anti-depressant
- Overall use has fallen from 71% in 2004, when an FDA black-box warning was placed on anti-depressants for children
- Payments for antipsychotics has increased from \$2 million in FY 2002 to \$5.5 million in FY 2008



Current Interventions Are Not Working

- Comprehensive Neuroscience (CNS) project, sponsored by Eli Lilly and Company to change mental health drug prescribing through educational mailings, began in 2006
- To date, no positive impact demonstrated
- Research indicates modest impact at best from educational efforts such as these
- Interventions leave unsafe practices unaddressed for up to six months
- Interventions target selected providers, leaving some beneficiaries without help
- Other states have successfully incorporated a CNS project into a broader pharmacy management program that includes direct interventions such prior authorization or mandatory peer review



Access Concerns in Kansas Medicaid

- 43 Kansas counties have no mental health provider
- 65 Kansas counties have no mental health professional that can prescribe medication
- Most mental health medications are prescribed by primary care providers



Summary of Concerns

- Prescription drug spending growth unsustainable
- Mental health drugs account for a significant percentage of the growth
- Numerous safety concerns regarding use of mental health drugs
- Access to mental health professionals limited
- Many Kansas Medicaid beneficiaries lack access to evidence-based use of mental health medications



KHPA Policy Objectives

- **Right tools...** A preferred drug list will give physicians the right tools they need to safely prescribe medications for mental health consumers
- **Right price...** A preferred drug list will use taxpayer dollars wisely by providing mental health medications at the right price to meet consumer needs
- **Right providers...** A preferred drug list will be developed by mental health experts, the right providers to support making decisions for mental health consumers
- Work with mental health community to come up with a trustworthy process to address safety and costs
 - Community mental health centers
 - Psychiatrists
 - Health plans
 - Other providers



Recommendations

- **The right tools...** Implement automated PA system
 - Real-time application of drug use criteria
 - Instantaneous approval
 - Decreased burden on pharmacists and medical providers
 - Funded internally: implemented incrementally
 - Yields savings through expanded PDL
 - Limited by funds available for investment in the automated system and associated call center

Recommendations

- **Right tools, right price...** Remove the state law preventing direct management of mental health drugs
 - Allow establishment of PDL for selected classes of mental health drugs
 - Enable application of safety standards at the point of sale
 - Provide mechanism for real-time quality improvement
 - Bring mental health expertise directly to all Medicaid consumers
 - Anticipate savings from reductions in inappropriate prescribing and introduction of price competition

Recommendations

- **Right tools, right price, right providers...**
Appoint a Mental Health Prescription Drug Advisory Committee
 - Will develop prescribing guidelines for selected classes of mental health drugs
 - Will establish safety criteria
 - Will establish therapeutic equivalence
 - May establish a PDL
 - May recommend PA criteria to DUR
 - Ensures a transparent process driven by experts
 - Currently seeking nominations

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